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DIGITAL PIRACY IN AN ECONOMIC PERSPECTIVES: EVOLUTION OF THEORETICAL APPROACHES

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ABSTRACT

To this day none of the digital content-based products such as writings, music, movies, designs, photo, video games, and software have free from the threat of digital piracy. This issue has attracted the attention of economists with concern that the forms of digital piracy are feared will reducing incentives for creative and innovative activities in the future. In this paper, we will be discussing a critical overview of the literature that addresses the economic determinants of digital piracy. In macro approach, it can be concluded that income level is the main determinant of digital piracy, while in micro behavioral approach developing models are based on the role of cost of piracy. Furthermore, a discussion will be explored on how micro behaviors models become more complex by incorporating several individual factors considered in decision-making processes such as obedience to rules, morals, and ethics in purpose that models can be implemented in policies to reduce digital piracy.

Keyword: digital piracy, intellectual property rights, cost of piracy

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